

For issues regarding repair and replacement services, see the Department's regulation "Persons Who Repair or Otherwise Service Tangible Personal Property" at 86 Ill. Adm. Code 130.2015. (This is a GIL.)

July 11, 2006

Dear Xxxxx:

This letter is in response to your letter dated March 21, 2006, in which you request information. The Department issues two types of letter rulings. Private Letter Rulings ("PLRs") are issued by the Department in response to specific taxpayer inquiries concerning the application of a tax statute or rule to a particular fact situation. A PLR is binding on the Department, but only as to the taxpayer who is the subject of the request for ruling and only to the extent the facts recited in the PLR are correct and complete. Persons seeking PLRs must comply with the procedures for PLRs found in the Department's regulations at 2 Ill. Adm. Code 1200.110. The purpose of a General Information Letter ("GIL") is to direct taxpayers to Department regulations or other sources of information regarding the topic about which they have inquired. A GIL is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120. You may access our website at [www.ILTAX.com](http://www.ILTAX.com) to review regulations, letter rulings and other types of information relevant to your inquiry.

The nature of your inquiry and the information you have provided require that we respond with a GIL. In your letter you have stated and made inquiry as follows:

ABC and subsidiaries is investigating the Sales and Use tax treatment of a retail transaction involving tangible personal property that will have a taxable situs in your state.

We hereby request a ruling to clarify the application of your state sales and use tax law with respect to the transactions described below.

**Transaction Background:**

The transaction process begins when a customer brings an empty computer ink cartridge to ABC, to have computer ink cartridge refilled. Store personnel first determine which manufacturer the customer's computer ink cartridge is associated with to determine if store computer ink cartridge equipment can refill the cartridge. The following processes are involved once the determination is made for the refilling of the cartridge:

Issue 1: Customer brings in empty computer ink cartridge and is determined by ABC store personnel to be a refillable cartridge. Store personnel then proceed with the following steps with the use of computer ink cartridge refill equipment:

Step 1: Evacuate remaining contents of cartridge

Step 2: Fill cartridge with Ink

- Step 3: Seal cartridge with cartridge specific cap
- Step 4: Diagnostic check
- Step 5: Seal cartridge discharge ports
- Step 6: Complete sale to customer

Issue 2: Involves the same processes as Issue1 [sic] with the exception if the customer cartridge is determined to be defective during ink cartridge refilling process. See as follows: Customer brings in empty computer ink cartridge and is determined by ABC store personnel to be a refillable cartridge. Store personnel then proceed with the following steps with the use of computer ink cartridge refill equipment:

- Step 1: Evacuate remaining components of cartridge
  - Step 1a: During Step 1, if customer cartridge is determined to be defective, store personnel will **replace** customer cartridge with like kind cartridge from on-hand inventory.
- Step 2: Fill **replacement** cartridge with Ink
- Step 3: Seal **replacement** cartridge with cartridge specific cap
- Step 4: Diagnostic check and **replacement**
- Step 5: Seal **replacement** cartridge discharge ports
- Step 6: Complete sale to customer

We respectfully request your review of the facts presented and situations described above. Also we would appreciate you furnishing is [sic] authority for your response (statute, regulation, rulings, opinions, etc.). We certainly appreciate your assistance in this matter. If you have any questions or need any additional information please call me. The response should be mailed to the undersigned at:

ADDRESS

## DEPARTMENT'S RESPONSE

For issues regarding repair and replacement services, we refer you to the Department's regulation "Persons Who Repair or Otherwise Service Tangible Personal Property" at 86 Ill. Adm. Code 130.2015. You may also find it useful to look through some of the Department's letters on this subject such as letter ST 95-0095.

If you require additional information, please visit our website at [www.ILTAX.com](http://www.ILTAX.com) or contact the Department's Taxpayer Information Division at (217) 782-3336. If you are not under audit and you wish to obtain a binding PLR regarding your factual situation, please submit a request conforming to the requirements of 2 Ill. Adm. Code 1200.110 (b).

Very truly yours,

Martha P. Mote  
Associate Counsel

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